

## BRADDOCK NEIGHBORHOOD JANUARY 2014 STATUS UPDATE



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## 1 RETAIL

### Citywide Data

- 7,727,980 of retail square footage
- 3.9% retail vacancy (increased from 3.3% at end of 2012)
- Average rental rate: \$37.79 NNN

### Relevant Comparisons and Notes (gathered from local and regional retail brokers)

- Braddock is most similar to Falls Church in retail character.
- Braddock Metro Station ridership statistics factor into retail attraction; increased foot traffic in the area will generate more retail amenities
- Avoid comparisons to developer-anchored communities (i.e., Bethesda Row, Mosaic District, Clarendon's Market Commons) where the developer is able to better control what is being leased through additional resources
- Braddock needs density in office and residential to be attractive to retailers; Retailers seek a community with 24-hour activity; not just daytime or night/weekend users, but a combination
- Invisible or hidden parking is a deterrent to retail tenants
- Existing retail may be too spread out to be successful

SUBMARKET	RENTAL RATE (SF/Year)	NOTES
Braddock	\$28 – \$30 NNN*	Large tenant concession packages (free rent, build out allowances)
Old Town- King Street Old Town- Side Streets	\$30 – \$60 NNN \$20 – \$30 NNN	Higher rents east of Washington St
Clarendon (center) Clarendon (periphery)	\$40 – \$65 NNN \$30s NNN	
Non-Central Arlington	Low \$30 NNN	
Falls Church	\$30 – \$40 NNN	Rates depend on location, tenant, and square footage
Georgetown	\$60 – \$100 NNN	Varies according to square footage, location, and prospect
Merrifield	\$55 – \$65 NNN	Large concessions package given during initial lease-up

\*NNN, or "Triple Net," is "net" of all expenses, taxes, and insurance; the owner is responsible for all costs in running the space (ie. utilities, insurance, and taxes)

## 2 DEVELOPMENT PROJECT UPDATES

### **The Henry (Formerly the Monarch, 525 N. Fayette Street)**

- Status: Constructed
- Residential (Ownership): 168 units total, 23 units for sale
- 86% sold: 1 bedroom \$359,900 (including one parking space); 3 bedroom/2 bath \$999,900 (including 2 parking spaces)
- Retail Prospects: market/bakery, professional services firm, yoga studio, music school, credit union, sandwich shop, cell phone store, beer/wine shop, mattress sales
- Needs more visible retail parking or better signage to attract retail

### **The Asher (620 N. Fayette Street)**

- Status: Constructed
- Residential - Rental: 206 units
- 91% leased/occupied: 1 bedroom \$1,890-\$1,980/month; 2-bedroom \$2,450-\$2,575/ month; parking not included in rent (\$75/space, \$100/2<sup>nd</sup> space)
- Retail: 4,325 sf
- Construction is complete; Real estate brokers are actively pursuing retail tenants
- The City received a Special Use Permit application from Bastille restaurant. It is anticipated that the Planning Commission and City Council will consider the application in March 2014.
- Additional Retail Prospects: yoga studio, dentist, quick/full service restaurants, quick serve/small grocery markets, dry cleaner

### **Old Town Commons (Formerly James Bland, 735 N. Alfred Street)**

- City Staff Project Managers: Dirk Geratz, Katye North, Maya Contreras, Department of Planning and Zoning
- Status: Two Phases are Under Construction/Three Phases are Complete
- Residential (mix of ownership and rental): 365 total units (134 public housing units, 155 market-rate townhomes and 76 market-rate multi-family units)
- Total Development Size: 601,154 sf
- Condos: 82% sold (14 remaining)
- Townhomes: 84% sold (25 remaining)
- A year ahead of original sales projections
- The park is open and has been dedicated to the City. The project completion date is anticipated to be summer 2014.

### **Braddock Metro Place (1261 Madison Street)**

- City Staff Project Managers: Dirk Geratz and Jessica McVary, Department of Planning and Zoning
- Status: Under Construction (approximately 18 months); Anticipated completion is winter 2014
- Residential (rental): 165 units
- Development Size: 149,306 sf

### **The Belle Pre (Formerly The Madison; 800 N. Henry Street)**

- City Staff Project Manager: Dirk Geratz, Department of Planning and Zoning
- Status: Under Construction anticipated for completion spring 2014; The south building is currently open and occupied; The north building should be open with certificates of occupancy issuance starting February

## BRADDOCK IMPLEMENTATION ADVISORY GROUP MEETING HANDOUT

- Residential - Rental: 360 units; 1 bedroom \$1,890/month; 2 bedroom \$2,032/month
- Retail: 9,672sf
- The City received a Special Use Permit application from Lost Dog Café. It is anticipated that the Planning Commission and City Council will consider the application in April 2014.
- Real estate brokers are actively pursuing additional retail tenants.
- Retail Prospects: yoga studio, dentist, quick/full service restaurants, quick serve/small grocery markets, dry cleaner

### **Braddock Gateway: Phase I (1219 First Street)**

- City Staff Project Manager: Pat Escher, Department of Planning and Zoning
- Status: On Hold
- Residential: 270 units
- Retail: 1,500 sf
- Development Size: 278,498 sf
- Project is temporarily delayed; Demolition is completed; Excavation for the underground garage is anticipated to take three months; The garage construction is tentatively scheduled to last three months; The total construction time for the project is estimated to be approximately 24 months
- Bob Elliot of WIRT indicated in summer 2013 that they were waiting to see how the other residential projects were leasing up before starting construction. They were hoping to break ground in spring 2014.

### **Braddock Gateway: Phase II (100 N. Fayette Street)**

- City Staff Project Managers: Pat Escher and Colleen Willger, Department of Planning and Zoning
- Status: On Hold
- Residential: 185 units
- Retail: 5,200 sf
- Development Size: 183,123 sf
- The preliminary plan was approved by Planning Commission and City Council in June 2012; Final Site Plans have yet to be submitted; Construction is anticipated to start when Braddock Gateway Phase I is completed

### **Jefferson Houston School Redevelopment (1501 Cameron Street)**

- City Staff Project Manager: Dirk Geratz
- Construction is underway; The building should open in August 2014 in time for the new school year; Overall construction should be completed by winter of 2014

### 3 BRADDOCK METRO NEIGHBORHOOD PLAN RECOMMENDATIONS - FUNDING AND COSTS

#### *Overview*

The 2008 Braddock Metro Neighborhood Plan recommends that the costs to provide the amenities recommended in the Plan be equally borne by both the developers within the Braddock Neighborhood and the City. In 2009, the City Council established a mechanism to do so. Two funds were established: 1) Community Amenities Fund (CAF), to fund streetscape improvements and retail retention and enhancement and 2) Open Space Fund (OSF), to fund the 1-acre community park. The required contribution by the developers is based on its pro-rata share of development. The required contribution by the City will be funded out of a tax-increment financing funding stream.

There are three tiers of developer contributions based on when the project was approved and whether or not the project received a density bonus. The details on the contribution obligations are found in the approved [staff report](http://www.alexandriava.gov/uploadedFiles/planning/info/braddock/BMNPCCDocket20090516FundEstablishment.pdf) (<http://www.alexandriava.gov/uploadedFiles/planning/info/braddock/BMNPCCDocket20090516FundEstablishment.pdf>), found on the project webpage ([www.alexandriava.gov/Braddock](http://www.alexandriava.gov/Braddock)).

~~Because there is dedicated funding for the community amenities (via the CAF or OSF), they will not have to compete for Capital Improvement Plan (CIP) funding.~~ The funds for the community amenities will have to be allocated through the usual competitive City Capital Improvement Plan (CIP) process. Because the funds are available through a dedicated funding stream and recommended in an approved Plan, the funding requests will have a higher ranking, than some other requests, in the vetting process.

Also, walking street improvements and streetscape and traffic calming improvements that are adjacent to private development will be funded by those private development projects.

**a. Community Amenities - Estimated Costs**

Below is a list of the community amenities and estimated costs.

PUBLIC AMENITY	TOTAL COST	FUNDING SOURCE			
		BRADDOCK CAF (DEVELOPER and CITY SHARE)	BRADDOCK OSF (DEVELOPER AND CITY SHARE)	DEVELOPER IMPROVEMENTS REQUIRED AS PART OF THE DEVELOPMENT PROCESS	CITY CIP or OTHER CITY FUNDS*
Walking Streets	\$6.8 – 13.1 million	\$4.1 – 7.8 million		\$2.7 – 5.2 million	
Bikeways	\$700,000			\$400,000	\$300,000*
Streetscape and Traffic Calming	\$1.6 – 1.7 million			<b>TBD</b>	<b>TBD*</b>
Community Park	\$9,600,000		\$9,600,000		
Pocket Parks/Plazas on Private Development	\$3-5 million			\$3-5 million	
Neighborhood Retail	\$500,000	\$500,000			
<b>TOTAL</b>	<b>\$22.2 – 30.6 million</b>	<b>\$4.6 – 8.3 million</b>	<b>\$9,600,000</b>	<b>TBD</b>	<b>TBD</b>

\*Note: Bikeways (\$300,000) and Streetscape and Traffic Calming (amount TBD) will be funded by the competitive CIP process or other City funds.

**b. Projected Revenue - Developer Contributions and Tax Increment Financing**

Below is a list of the anticipated developer contributions for the five projects that have been completed or approved since the Plan's adoption.

Tax Increment Financing data is currently being reviewed internally and will be made public at a later date.

<b>REVENUE: DEVELOPER CONTRIBUTIONS*</b>					
<b>Development Project</b>	<b>BMNP Open Space Fund (OSF)</b>	<b>BMNP Community Amenities Fund (CAF)</b>	<b>TOTAL Contributions (2013 dollars)</b>	<b>Anticipated Receipt Date</b>	<b>Received to Date</b>
The Asher (621 Payne St)	\$210,781	\$90,969	\$301,750	FY13	\$301,750
Belle Pre (800 N. Henry St)	\$360,524	\$155,025	\$515,549	FY14	**
Braddock Gateway: Phase 1 (1219 First St)	\$278,498	\$119,754	\$398,252	TBD	
Braddock Metro Place (1260 Braddock Place)	\$592,745	\$91,077	\$683,821	FY15	
Braddock Gateway: Phase 2 (1100 N. Fayette St)	\$403,843	\$119,671	\$523,514	TBD	
<b>TOTAL</b>	<b>\$1,846,391</b>	<b>\$576,496</b>	<b>\$2,422,886</b>		<b>\$301,750</b>

\*Note: Dollars are in 2013 values.

\*\*Note: Funds will be submitted to the City the week of January 27, 2014.